

Regular Session, 2009

HOUSE BILL NO. 651

BY REPRESENTATIVE ARMES

Prefiled pursuant to Article III, Section 2(A)(4)(b)(i) of the Constitution of Louisiana.

RETIREMENT/SCHOOL EMPS: Relative to the Louisiana School Employees' Retirement System, provides for the rehiring of certain retired school bus drivers without a reduction in benefits

1 AN ACT

2 To amend and reenact R.S. 11:1007(C) and (F), relative to the Louisiana School Employees'
3 Retirement System; to provide relative to the reemployment of retired school bus
4 drivers; to require the submission of certain information relative to such persons; to
5 require certification of a school bus driver shortage by the employer; to provide for
6 actuarial costs associated with reemploying such school bus drivers; to provide an
7 effective date; and to provide for related matters.

8 Notice of intention to introduce this Act has been published
9 as provided by Article X, Section 29(C) of the Constitution
10 of Louisiana.

11 Be it enacted by the Legislature of Louisiana:

12 Section 1. R.S. 11:1007(C) and (F) are hereby amended and reenacted to read as
13 follows:

14 §1007. Employment of retired bus drivers

15 * * *

16 C.(1) When any retired bus driver returns to active service pursuant to this
17 Section with an employer covered by the provisions of this Chapter, the employing
18 agency shall notify the board of trustees in writing within ten days of such
19 employment and the date on which employment began. Upon termination, the

1 employing agency shall also provide the board with information and notice thereof
2 in writing. In addition to the notice required by this Subsection, the employing
3 agency shall also report to the retirement system within forty-five days after June
4 thirtieth of each year the names of all retired persons being paid by the employing
5 agency, their social security numbers, and the amounts of their earnings during the
6 previous fiscal year ending June thirtieth of the reporting year.

7 (2) Any employer who elects to reemploy a retired bus driver pursuant to this
8 Section shall submit to the system before September first of each school year of
9 reemployment a declaration stating the employer's intent to reemploy such bus driver
10 pursuant to this Section. Such declaration shall be signed by the employer's
11 authorized representative and the employee. If such declaration is not received by
12 the system by such date, the reemployed bus driver shall be considered reemployed
13 pursuant to the provisions of R.S. 11:1006.

14 (3) The superintendent of any employer who elects to reemploy a retired bus
15 driver pursuant to this Section shall certify to the Board of Elementary and
16 Secondary Education that a shortage of qualified bus drivers exists in the school
17 district of such employer. The legislative auditor may audit or investigate as to
18 whether there is a shortage of bus drivers in such district.

19 * * *

20 ~~F. Any employer who elects to reemploy a bus driver pursuant to this~~
21 ~~Section shall pay to the system all of the actuarial costs to the system of~~
22 ~~reemployment of such bus driver. Such payments shall be made in such manner and~~
23 ~~at such time as the board of trustees shall require, but such payment shall be made~~
24 ~~before the bus driver again retires. Any employer who participates in the~~
25 reemployment of any retired bus driver pursuant to this Section shall pay its pro rata
26 share of any actuarial cost in aggregate attributable to the reemployment of such bus
27 driver as determined by the system's actuary. The actuarial cost to the system, if any,
28 shall be included in the annual actuarial report to the board of trustees of the system
29 and shall be submitted to the Public Retirement Systems' Actuarial Committee.

1 Upon approval of the system's actuarial report by the Public Retirement Systems'
 2 Actuarial Committee, the participating employers shall be notified of any cost, which
 3 shall be paid to the system not later than June thirtieth following such committee's
 4 approval of the system's actuarial report.

5 Section 2. This Act shall become effective on July 1, 2009; if vetoed by the governor
 6 and subsequently approved by the legislature, this Act shall become effective on July 1,
 7 2009, or on the day following such approval by the legislature, whichever is later.

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

Armes

HB No. 651

Abstract: Relative to the La. School Employees' Retirement System (LSERS), requires any employer to pay its pro rata share of any aggregate actuarial cost, if such employer opts to reemploy a retired school bus driver under provisions allowing such retiree to receive full benefit plus salary.

Present law (R.S. 11:1006), the "50% rule" provides for reemployment of retirees of the La. School Employees' Retirement System (LSERS). Provides that if the earnings of the reemployed retiree in any fiscal year are in excess of 50% of average compensation, an amount equal to the amount of the earnings in excess of 50% of average compensation for the fiscal year shall be repaid to the system by the retiree, either through direct reimbursement to the system or by suspension of benefits.

Present law (R.S. 11:1006(D)) provides that, as an alternative to reemployment under the "50% rule", an employer may choose to reemploy a retired bus driver in a full-time position as a bus driver pursuant to other provisions of present law (R.S. 11:1007, the 100% rule).

Present law (R.S. 11:1007) provides that an employer may elect to rehire a retired bus driver pursuant to the "100% rule". Provides, at the option of the employer, any bus driver who returns to full-time employment as a bus driver pursuant to the "100% rule" within 12 months of retirement shall have his benefit suspended for the duration of such active service or the lapse of 12 months after retirement, whichever occurs first. After such period, such bus driver shall be able to receive his full retirement benefit and his full salary.

Present law (R.S. 11:1007(F)) provides that any employer who elects to reemploy a bus driver pursuant to the "100% rule" shall pay to the system all of the actuarial costs to the system of reemployment of such bus driver.

Proposed law provides that any employer who chooses to reemploy a retired bus driver pursuant to the "100% rule" shall submit to the system by September 1 of each school year a declaration, signed by the employer and employee, stating the employer's intent to reemploy such bus driver under the "100% rule". If no such declaration is received by the system, the reemployed bus driver shall be considered rehired under the "50% rule".

Proposed law requires the superintendent of such employer school to certify to the Board of Elementary and Secondary Education that a shortage of qualified bus drivers exists in the

school district of such employer. The legislative auditor may audit or investigate as to whether such shortage exists.

Proposed law provides that such employers shall pay their pro rata share of any actuarial cost in aggregate as determined by the system's actuary. Further provides that such cost, if any, shall be included in the system's actuarial report and submitted to the Public Retirement Systems' Actuarial Committee (PRSAC) for approval. Upon approval by PRSAC, the participating employers shall be notified of any cost and shall pay such cost not later than June 30 following PRSAC's approval.

Effective July 1, 2009.

(Amends R.S. 11:1007(C) and (F))

Summary of Amendments Adopted by House

Committee Amendments Proposed by House Committee on Retirement to the original bill.

1. Adds provision requiring the employer to submit a declaration of intent to rehire a bus driver under the 100% rule.

House Floor Amendments to the engrossed bill.

1. Adds requirement that the superintendent of any employer school reemploying a retired school bus driver under the "100% rule" certify to the Board of Elementary and Secondary Education that a shortage of qualified bus drivers exists in the school district of such employer. Authorizes the legislative auditor to audit or investigate as to whether such shortage exists.